

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
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1. Available at the CIA Library is a photocopy of a document, prepared for the use of the SED, on the discussion of the East German 1955 economic plan which took place at the 20th Conference of the SED Central Committee on 8 and 9 September 1954.¹ The document includes a speech by Bruno Leuschner on the East German economic situation, with especial emphasis on the 1955 Economic Plan; a general discussion of the subject by various officials; and a list of the tasks to be completed during 1955.
2. In the discussion which followed Leuschner's speech, Erich Mückenberger spoke on the importance of the agricultural program; Heinrich Rau spoke on industrial problems, including shortages of raw materials and supplies; Gerhard Ziller spoke on the mining and metal industries; Fritz Lange spoke on the financial situation; Kurt Hager spoke on scientific and technical research and development; Dr. Wolfgang Schirmer spoke on the chemical industry; Gerhard Frost spoke on the power and current supply; Erwin Kramer spoke on the relation of the railroads to industrial production; Werner Neugebauer spoke on light industry and the fact that too often samples of items were not mass-produced; Dr. Alfred Wende spoke on the development of natural scientists and the importance of the East German Academy of Sciences.
3. The statement issued by the Central Committee on the 1955 economic tasks summarizes the economic advances of the first four years of the current Five-Year Plan, of which 1955 is the final year. Comparisons are made with West German production (usually unfavorable to West Germany, but occasionally critical of East Germany). The tasks for the final year of the Five-Year Plan are briefly as follows:
- a. To increase the total industrial production at least by 10% over 1954. This includes increased production of consumer goods. Most important is the development of the fuels industry, power production, and the chemical industry. Electric power must be increased to at least 112%, the production of brown-coal briquettes to 105.5%, rolled steel to 104%, and total chemical products to 106%. Cement and bricks for the construction industry must be increased to 110%.

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- b. The following industries are particularly important in achieving the Five-Year Plan: power, coal and ore mining, machine construction, chemicals, and construction materials. Light industry and the food industry are also vital. The machine industry must produce more items for export, modern metal goods for consumer sales, and machinery for the power, fuel, and chemical enterprises as well as for the mechanization of agriculture.
- c. Finer rod steel, high-grade alloy steel, fine sheet, rolled wire, and small profile must be produced in the rolling mills so that the output of the rolling mills can exceed that of 1954 and the production of consumer goods may be insured.
- d. The construction industry must reduce costs by at least 6% and emphasize industrial construction. The construction materials industry must produce more cement, bricks, and other materials.
- e. Necessary support should be given to artisans and private industries by state organizations and their own trade associations.
- f. In order to increase the flow of exports, the reputation on the world market of German quality should be insured through new developments and better quality products, especially with regard to machinery.
- g. In agriculture, the yield per hectare must be increased over the 1954 yield, from 102% to 106%, depending on the crop. The number of swine must be increased to 104.4%, cattle 104.4%, cows 115.1%. Milk production should be increased to 103% per cow, compared to 1954. Approximately 700,000,000 DME should be allocated for agricultural credit, to further mechanization and scientific methods of farming. An appeal should be made to the farmers to harvest and deliver their crops as expeditiously as possible.
- h. In transportation, greater efficiency should be introduced; railroad freight transport should be increased to 107% of the 1954 figures; the turnaround time (Umlaufzeit) of a freight car should be reduced to three days.
- i. In accordance with the New Course, work productivity should be further increased to at least 106.7% (including centrally directed enterprises), and the overhead (Selbstkosten) reduced by 3.6%, in the centrally directed enterprises.
- j. Purchasing power of the people must be increased by approximately 6%, so that the industrial turnover can be increased by at least 8%.
- k. Dwelling construction, cultural, social, health, and sport programs should be allocated necessary state support.
4. The document concludes with a brief résumé of the necessary action to be taken on the part of the Party members and groups, in order to insure the carrying out of the program outlined above.

Attachment available at the CIA Library (1 document in German, 47 pages)

Distribution of Attachment:

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